



**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-5
AGENDA DATE: Thu 09/29/2005
PAGE: 1 of 2**

SUBJECT: Approve the negotiation and execution of a loan to the BLACKLAND COMMUNITY DEVELOPMENT CORPORATION, Austin, TX, in compliance with applicable federal regulations, including Code of Federal Regulations Title 24 Section 85.40 performance goals, under the Rental Housing Development Assistance Program in an amount not to exceed \$152,180 to rehabilitate five rental housing units located in the Blackland neighborhood at 2008 A&B Chicon, 2012 A&B Chicon, and 2201 Salina Street.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2004-2005 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program. Loan proceeds will consist of \$5,000 in HOME-Community Housing Development Organization funds, and \$147,180 in Community Development Block Grant funds.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Housing Finance
DEPARTMENT: Corporation

DIRECTOR'S
AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Director, Neighborhood Housing and Community Develop

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

The Blackland Community Development Corporation (BCDC) is a non-profit 501(c)(3) organization and is certified by the City of Austin as a Community Housing Development Organization (CHDO). The BCDC was established in 1983 to provide affordable housing for low- and moderate-income families residing in the Blackland neighborhood. Since 1983, the BCDC has developed and currently owns and operates 35 units of affordable rental housing, including nine units of transitional housing.

Approval of financing will assist in the rehabilitation of five rental housing units comprised of two duplexes consisting of four two-bedroom/one bath units serving as transitional housing for families with yearly incomes not to exceed 50 percent of the Austin area median family income (MFI - currently \$35,550 for a family of four), and one single-family three-bedroom/two-bath affordable rental unit for a family with a yearly household income not to exceed 60 percent of MFI (currently \$42,650 for a family of four). Monthly rents will range from \$238 for the two-bedroom transitional units to \$575 for the three-bedroom affordable unit. Upon completion, at least one unit will be accessible for persons with mobility, hearing and vision disabilities.

The project was received in response to the Rental Housing Development Assistance (RHDA) program's Notice of Funding Availability (NOFA) that provides financial assistance for the development of affordable rental housing for low- and moderate-income households and persons with special needs.

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Estimated sources and uses of funds for the project are as follows:

Sources:		Uses:	
RHDA funds	\$ 152,180	Construction	\$ 140,680
Owner contribution	4,750	Soft costs	16,250
Total	\$ 156,930	Total	\$ 156,930

Performance measures associated with the project are as follows:

1. Rehabilitate five units of affordable rental housing for families with yearly household incomes not to exceed 60 percent of the Austin area's MFI.
2. Reserve a minimum of four units for families with yearly household incomes not to exceed 50 percent of the Austin area's MFI.
3. Develop a minimum of one unit for persons with mobility, hearing and vision disabilities.

Following Board approval, a loan in an amount not to exceed \$152,180 for a term of 10 years at zero percent interest rate will be negotiated and executed with the BCDC. Proposed loan terms will require yearly payments of \$913.00 by BCDC for the duration of the 10-year term, with the principal loan balance of \$143,050 forgiven at the end of the 10-year period contingent upon BCDC meeting the conditions of the loan agreement.

The requested funding is available in the Fiscal Year 2004-05 Austin Housing Finance Corporation (AHFC) budget allocation, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.